

**GARY COMMUNITY
SCHOOL CORPORATION**



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ACHIEVING OUR GOALS AND BEYOND...

The Community & School Working Together

620 East 10th Place - Gary, IN 46402

(219) 881-5401 • Fax (219) 881-4102

DR. MARY E. GUINN, Superintendent

May 15, 2001

RECEIVED

MAY 16 2001

Federal Communications Commission
Office of the Secretary
445 12th Street
SW, Room TW-A325
Washington, DC 20554

FCC MAIL ROOM

Re: CC Docket Nos. 96-45 and 97-21

To Whom It May Concern:

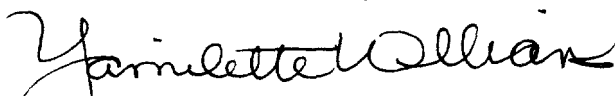
This letter is our formal appeal to the funding commitment decision letter dated September 22, 2000 for application number 192113 and the Administrators Decision on Appeal dated April 16, 2001 in which we have been denied funding for all of the internal connections services for which we requested a discount. The basis of the denial was that our request for services fell below the funding cap of 81% on internal connections. The following are few of the many reasons that we have which constitute the basis of our appeal:

- 1.) The number of students who participate in the National Lunch Program is far less than the number of students who are actually eligible. When calculating our true Erate discount, we are one of the many school districts who are eligible above 81%. We are not asking that you increase our funding discount to 81%, but rather in the spirit of the program, you consider us a district that has an eligibility rate comparable to the other school districts that are above the 81% funding cap and fund us at our originally filed 74%.
- 2.) A number of our requests were incorrectly flagged as internal connections, and not telecommunications services. This was a data entry error on our part.
- 3.) A number of our requests that are truly internal connections should not have been filed as a shared internal connection, but rather as a building level internal connections. A large majority of those buildings are at the 90% Erate discount level.

We believe that the students of the Gary Community School Corp are entitled to your favorable response to this appeal. Furthermore, we believe that such an appeal falls under the guidelines under acceptable changes and modifications to a form 471 application.

We look forward to discussing this with you in further detail, but wanted to make sure that this letter of appeal was received by your group within the allotted 30-day appeal window. We can be reached at (219) 881-5401 to answer any pertinent questions or to provide additional information.

Best Regards,


Yamilette Williams
Enclosure - USAC Administrator's Decision on Appeal Funding Year 2000-2001

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List A B C D E



Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal - Funding Year 2000-2001

April 16, 2001

Ms. Yamillette Williams
Gary Community School Corporation
620 East 10 Place
Gary, Indiana 46402

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MAY 16 2001

FCC MAIL ROOM

Re: Billed Entity Number: 130342
471 Application Number: 192113
Funding Request Number(s): 424252, 424422, 424514, 424770, 424932
Your Correspondence Dated: October 20, 2000

After thorough review and investigation of all relevant facts, the Schools and Libraries Division ("SLD") of the Universal Service Administrative Company ("USAC") has made its decision in regard to your appeal of SLD's Year Three Funding Commitment Decision for the Application Number indicated above. This letter explains the basis of SLD's decision. The date of this letter begins the 30-day time period for appealing this decision to the Federal Communications Commission ("FCC"). If your letter of appeal included more than one Application Number, please note that for each application for which an appeal is submitted, a separate letter is sent.

Funding Request Number: 424252, 424422, 424514, 424770, 424932
Decision on Appeal: **Denied in full**
Explanation:

- You have stated that the basis for your appeal is that all the internal connections requests listed on your Form 471 that were denied by SLD for being below the funding cap should be considered for funding based on the following reasons: 1) The number of students who participate in the NSLP is far less than the number of students who are actually eligible. When you calculate the true E-rate discount, you are one of the many school districts who are eligible to receive above 81%; 2) due to a data entry error on your part funding requests were incorrectly flagged as internal connections and not telecommunications services; 3) a number of the funding requests that are truly internal connections should not have been filed as a shared internal connection, but rather as a site-specific internal connection because a large majority of those buildings are at the 90% E-rate approved discount level.

- After thorough review of the appeal, it was determined from your Form 471 (Block 4, Items 10a, 10b, 10c and Block 5, Item 11) documentation and additional support documentation, which was submitted as a description of the requested services, that the above funding requests are for shared and site-specific internal connections requested by the school district. The desired discounts that were requested (according to the Form 471 documentation you have submitted) are 74% for two shared funding requests, 80% for two site-specific funding requests, and 20% for one site-specific funding request. The documentation you have provided has validated that internal connections is being requested for the five funding requests listed therefore, your Form 471 (Block 5, Item 11) information was correctly identified as internal connections.
- Your appeal requests additional funds, through a higher discount rate, that were not included in the Form 471 in regard to which you are appealing SLD's funding decision. FCC rules require that funding requests be made on Forms 471. *See* 47 C.F.R. § 54.504. Funding requests may not be made on appeals of SLD funding commitment decisions. Consequently, SLD denies your appeal insofar as it requests additional funding not requested in the Form 471, which forms the basis of this appeal.
- You filed a Form 471 seeking funding for internal connections. You indicated on your Form 471 that your shared discount eligibility is **74%** and your site-specific discount eligibility is **80%** and **20%**. The discount matrix determines your discount level. For Funding Year Three, there are not sufficient funds to provide internal connections discounts to applicants at your discount rate. Consequently, SLD denies your appeal because there is insufficient funding for Funding Year Three to provide discounts for internal connections requests to applicants that are below the **82%** discount level.
- FCC rules require that where demand for funding exceeds available support, first priority be given to requests for telecommunications services and Internet access. *See* 47 C.F.R. § 54.507(g)(1)(i). FCC rules further require that requests for internal connections be given second priority, and be funded only if funds remain after support has been provided for telecommunications and Internet access through all discount levels in a funding year. *See* 47 C.F.R. § 54.507(g)(1)(ii). Where demand for discounts for internal connections exceeds available support, FCC rules require that funding be allocated to the most economically disadvantaged schools as determined by the matrix at 47 C.F.R. § 54.505(c). *See* 47 C.F.R. § 54.507(g)(1)(ii). Pursuant to the matrix, funds are allocated first to applicants eligible for a 90 percent discount, then to schools eligible for an 80 percent discount, and in the same manner until no funds remain. *See* 47 C.F.R. § 54.507(g)(1)(ii)-(iii). For schools and libraries that create consortia for the purposes of making funding requests and sharing services, the discount level is calculated by averaging the applicable discounts of the schools and libraries that are members of the consortia. *See* 47 C.F.R. § 54.505(4). Because discount levels for consortia are determined in this manner, the discount levels for shared services requests are single discount level percentages rather than

the broad discount level percentages for individual applicants as determined by the matrix. *See* 64 Fed. Reg. 33785 (1999). Consequently, where demand for discounts for internal connections exceeds available support, funds are allocated first to applicants are the 90 percent discount level, and then at each descending single percentage until there are no remaining funds. *See* 47 C.F.R. § 54.507(g)(1)(iii).

If you believe there is a basis for further examination of your application, you may file an appeal with the Federal Communications Commission, Office of the Secretary, 445 12th Street, SW, Room TW-A325, Washington, DC 20554. Please reference CC Docket Nos. 96-45 and 97-21 on the first page of your appeal. Before preparing and submitting your appeal, please be sure to review the FCC rules concerning the filing of an appeal of an Administrator's Decision, which are posted on the website at <www.universalservice.org>. **You must file your appeal with the FCC no later than 30 days from the date on this letter for your appeal to be filed in a timely fashion.**

We thank you for your continued support, patience, and cooperation during the appeal process.

Schools and Libraries Division
Universal Service Administrative Company